



Secretary of State
Business Programs Division

1500 11th Street, 3rd Floor
Sacramento, CA 95814

Business Entities
(916) 657-5448

ORGANIZATION OF CALIFORNIA COMMON INTEREST DEVELOPMENT ASSOCIATIONS

Most **common interest development associations** are formed as nonprofit mutual benefit corporations. For that reason the attached sample was prepared pursuant to the Mutual Benefit Corporation Law (California Corporations Code [Section 7110, et seq.](#)) with the additional language required by Civil Code [Section 1363.5](#).

The attached sample has been drafted to meet minimum statutory requirements and may be used as a guide in preparing documents to be filed with the Secretary of State to incorporate. It is, however, suggested that you seek private counsel for advice regarding the proposed corporations specific needs, which may require the inclusion of special permissive provisions.

The fee for filing Articles of Incorporation for a nonprofit, nonstock common interest development corporation is \$30.00. Check(s) should be made payable to the Secretary of State.

PLEASE NOTE: Nonprofit corporations are subject to California corporation franchise tax requirements until such time as they formally dissolve **unless** a determination of exemption is issued by the Franchise Tax Board. Application for a determination of exemption must be made **after incorporation** by mailing an Exemption Application (FTB Form 3500), along with an endorsed copy of the Articles of Incorporation and any other supporting documentation, to the Franchise Tax Board, Post Office Box 942857, Sacramento, California 94257-4041. Information regarding franchise tax exemption can be obtained from the [Franchise Tax Board's Internet Web site](#) or by calling the Franchise Tax Board at (916) 845-4171. Questions regarding franchise tax requirements must be directed to the Franchise Tax Board.

The original and at least three copies of the Articles of Incorporation should be included with your submittal. The Secretary of State will certify two copies of the filed document without charge, **provided that the copies are submitted to the Secretary of State along with the document to be filed**. Any additional copies submitted will be certified upon request and payment of the \$8.00 per copy certification fee.

Documents can be mailed or hand delivered for over-the-counter processing to the Sacramento office at:

Business Programs Division (916) 657-5448
1500 11th Street
Sacramento, CA 95814
Attention: Document Filing Support Unit

OR

can be hand delivered for over-the-counter processing to any of the regional offices located in:

- ♦ Fresno (559) 445-6900
1315 Van Ness Avenue, Suite 203
Fresno, CA 93721-1729
- ♦ Los Angeles (213) 897-3062
The Ronald Reagan Building
12th Floor South Tower, Room 12513
300 South Spring Street
Los Angeles, CA 90013-1233

- ♦ San Diego (619) 525-4113
1350 Front Street, Suite 2060
San Diego, CA 92101-3609
- ♦ San Francisco (415) 557-8000
455 Golden Gate Avenue, Suite 14500
San Francisco, CA 94102-7007

- NOTE:**
- Cash is accepted **only** in the Sacramento office.
 - Duplicate original documents must be submitted when filing with any of the regional offices.
 - Regional offices do not process mailed in documents.

A \$15.00 **special handling fee** is applicable for processing documents delivered in person at the public counter in the Sacramento office or in any of the regional offices located in Fresno, Los Angeles, San Diego and San Francisco. The \$15.00 special handling fee must be remitted by separate check for each submittal and will be retained whether the documents are filed or rejected. The special handling fee does not apply to documents submitted by mail to the Sacramento office.

Preclearance or expedited filing of *eligible corporate documents* can be requested in a specified time frame, for an additional fee (in lieu of the \$15.00 special handling fee), as described in the [Preclearance/Expedited Filing Service Information](#). The preclearance/expedited filing service is not available in the regional offices.

When forming a new corporation you may need to contact one or more of the following agencies for additional information:

- ♦ The [Franchise Tax Board](#) - for information regarding **exemption** and/or **franchise tax** requirements.
- ♦ The [Board of Equalization](#) - for information regarding **sales tax** and/or **use tax** liability.
- ♦ The [Department of Justice](#) - for information regarding **charitable trust** requirements.
- ♦ The [Employment Development Department](#) - for information regarding **disability unemployment insurance tax**.
- ♦ The [Department of Industrial Relations](#), Division of Worker's Compensation - for information regarding **workman's compensation** requirements.
- ♦ The [city and/or county clerk and/or recorder](#) where the principal place of business is located - for information regarding business licenses, fictitious business names (if doing business under a name other than the corporate name), and for specific requirements regarding zoning, building permits, etc. based on the activities of the corporation.
- ♦ The [Internal Revenue Service](#) (IRS) - for information regarding **federal employer identification numbers**.

The Secretary of State does not license corporations or business entities. For licensing requirements, please contact the city and/or county where the principal place of business is located and/or the state agency with jurisdiction over the activities of the organization.



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EXPANSION OF PRECLEARANCE AND EXPEDITED FILING SERVICES (Effective Monday, October 2, 2006)

We are pleased to announce that our preclearance and expedited filing services have been expanded to include all business entity documents filed with the Secretary of State pursuant to the California Corporations Code, the California Financial Code or the California Insurance Code. These services, previously offered only for specified corporate documents, are now available for all corporate, limited liability company and limited partnership documents, including interspecies mergers and conversions, and for all other documents filed by other entity types. In addition, the number of copies required to be submitted for the preclearance service has been reduced from two to one.

Preclearance service provides a customer with the opportunity to submit a business entity document in person to the Secretary of State's Sacramento office prior to filing to determine if the document conforms to law and to receive a preclearance response within a guaranteed time frame.

Expedited filing service provides a customer with the opportunity to submit for filing a business entity document in person to the Secretary of State's Sacramento office and to receive a filing response within a guaranteed time frame.

Please refer to the Secretary of State's website at <http://www.ss.ca.gov/business/precexp.htm> for detailed information regarding the preclearance and expedited filing services.

Authority cited: Title 2, California Code of Regulations, sections 21904 and 21905; and Government Code section 12182.

INSTRUCTIONS:

Using the attached sample as a guide, Articles of Incorporation must be drafted to include all required provisions and may include other provisions, such as the names and addresses of the initial directors, if those provisions are permitted under California law. The Secretary of State's office, however, does not provide samples that include permissive provisions. The document **must** be typed with letters in dark contrast to the paper. Documents that would produce poor quality microfilm will be returned unfiled.

Article I – The Articles must include a statement of the name of the corporation, which name must be exactly as you want it to appear on the records of the Secretary of State.

Article II A – This **exact** statement is required by California Corporations Code [section 7130\(b\)\(1\)](#) and cannot be modified.

Article II B – A statement describing the specific business of the corporation may be included.

Article III – The Articles must include a statement as to the name and California address of the initial agent for service of process. The designated agent, whether an individual or a corporation, **must** agree to accept service of process on behalf of the corporation prior to designation. A corporation cannot designate itself as its own agent for service of process. When designating another corporation as agent, that other corporation **must have previously filed** a [Certificate pursuant to Corporations Code section 1505](#), with the Secretary of State. When a corporate agent is designated, no address should be stated.

Article IV – The Franchise Tax Board requires this language before state franchise tax exemption may be granted.

(Articles V, VI and VII are required by [Section 1363.5](#) of the California Civil Code.)

Article V – This statement is required when forming a corporation to manage a common interest development.

Article VI – If the association has a business or corporate office and: 1) the office is on site of the common interest development, the articles must include the address of the association's business or corporate office, and should include a statement that the office is on the site of the common interest development; **OR** 2) the office is not on site of the common interest development, the articles must include the address of the association's business or corporate office along with the nine-digit zip code, front street and nearest cross street to the common interest development. If the association has no business or corporate office address, no statement is required.

Article VII – The Articles must include the name and address of the association's managing agent, **if any**. If the association has no managing agent, no statement is required.

The Articles of Incorporation must be signed by an incorporator, or by directors, if initial directors have been named in the document. If directors are named, each director must both sign and acknowledge the articles. The names of incorporators or directors should be typed beneath their signatures.

The original and at least three copies of the Articles of Incorporation, together with the applicable fee, must be mailed or hand delivered to the Secretary of State's office in Sacramento or hand delivered to the one of the regional offices located in Fresno, Los Angeles, San Diego or San Francisco. Regional offices do not process mailed in documents. If documents are submitted to a regional office, a duplicate original is also required.

To facilitate the processing of documents mailed to the Sacramento office, a self-addressed envelope and a letter referencing the corporate name as well as your own name, return address and telephone number should also be submitted.

ARTICLES OF INCORPORATION

I

The name of this corporation is _____ (*NAME OF CORPORATION*) _____.

II

A. This corporation is a nonprofit **MUTUAL BENEFIT CORPORATION** organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

B. The specific purpose of this corporation is to _____
_____.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Name _____

Address _____

City _____ State **CALIFORNIA** Zip _____

IV

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

V

This corporation is an association formed to manage a common interest development under the Davis - Stirling Common Interest Development Act.

VI

The address of the business or corporate office of the association is _____
_____. This office is on site.

OR

The address of the business or corporate office of the association is _____
_____. The nine-digit zip code of the common interest development is _____. The front street and the nearest cross street to the common interest development are _____
_____.

NOTE

*Use only one of
the two
statements, if
applicable.*

**DO NOT USE
BOTH
STATEMENTS**

NOTE

Use only if
applicable.

VII

The name and address of the association's managing agent is _____
_____.

(Signature of Incorporator)
(Typed name of Incorporator), Incorporator